

MARKETING MATTERS

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Farmer Appoints Furnish Executive Director of Marketing



Commissioner of Agriculture Richie Farmer, left, appointed Brian Furnish Executive Director of the Office of Agriculture Marketing on Jan. 5.

By Bill Holleran

Agriculture Commissioner Richie Farmer, who assumed office on Jan. 5, has appointed Brian Furnish to serve as Executive Director of the Kentucky Department of Agriculture's Office of Agriculture Marketing and Product Promotion and filled other key posts in the Department's marketing office.

"It's important that the Kentucky Department of Agriculture makes marketing a priority and that we focus on marketing our agriculture products to Kentuckians first and then to the rest of the world," Commissioner Farmer said.

Furnish, a Harrison County native and graduate of Eastern Kentucky University's College of Agriculture, previously worked as director of govern-

ment relations for the Burley Tobacco Growers Co-op in Lexington. Furnish also raises 20 acres of tobacco and 40 beef cows in Cynthiana. He and his wife, Amy Jill, have three children, Gracie, Annie, and Jakob.

"Marketing is the most important piece of the puzzle to help Kentucky producers cope with the declining demand for tobacco, and I'm excited to be part of the Department of Agriculture," said Furnish, who also maintains a farming operation in Harrison County with help from his family.

Rodger Bingham from Crittenden will serve as Deputy Executive Director in the Office of Agriculture Marketing. Bingham, a celebrity from the hit TV show "Survivor," leaves a 17-year career as Industrial Arts teacher in the

Grant County school system. Bingham has been married for 36 years to wife Patricia, and they have a daughter, Angela, and a grandson, Porter.

Steve Mobley has joined the Department as Director of the Division of Show and Fair Promotion. Mobley is a native of Clay County and currently resides in Laurel County, where he leaves a 10-year career as an agriculture teacher at Clay County High School. Mobley is a graduate of Eastern Kentucky University's College of Agriculture and holds a master's degree in Agriculture Education from UK. He and his wife, Tammy, have two children, Carter and Callie Ann.

Mike Judge, department chair and director of farm operations for ECU's College of Agriculture, will serve as director over marketing, agri-tourism, and agribusiness recruitment for the Department. Judge leaves a 23-year career at Eastern, where he taught agribusiness classes for many years before becoming department chair. Judge has two sons, Joshua, 25, and Caleb, 21.

To contact the Office of Agriculture Marketing and Product Promotion, call (502) 564-4983.

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KDA Will Host Livestock Grading Convention

Staff Report

The Kentucky Department of Agriculture's Market News Branch is preparing to host the National Livestock Grading and Marketing Association's annual convention to be held at the Campbell House Inn in Lexington this year. The National Livestock Grading and Marketing Association is a branch of USDA's Agriculture Marketing Service and is comprised of livestock graders and marketing professionals from state and federal agriculture departments across the nation. This year more than 100 people representing 20 states and Washington, D.C., are expected to attend.

Livestock and grain market reporters across the nation are responsible for collecting and disseminating market information and price trends of agricultural commodities for newspapers, radio broadcasts, and TV reports. The group meets annually to discuss USDA livestock grading standards and perform grading correlations on live animals to maintain consistency in livestock market reporting.

The group will also discuss how mandatory livestock identification and animal health issues will affect livestock marketing. The group will participate in a livestock grading exercise using USDA standards on animals supplied by the University of Kentucky, Eastern Kentucky University, and local farmers at the Woodford County Fairgrounds, and will tour local horse farms, vineyards, and distilleries during their stay in the area.

Guest speaker for the awards banquet will be Rodger Bingham from the TV show "Survivor," who was recently employed as Deputy Executive Director of KDA's Office of Agriculture Marketing and Product Promotion. Bingham has an agriculture background and has taught industrial arts in Crittenden the past 17 years.

This year KDA's Mike Cocanougher will serve as president of the NLGMA, and he along with other Livestock and Grain Market News staff will help coordinate the event.

It's Beef Expo Time!

By Jeff Zinner

The Kentucky Beef Expo will be March 5-7 at the Kentucky Fair and Exposition Center in Louisville. This event allows everyone an opportunity to get involved in Kentucky's beef industry.

The Expo consists of 12 breed shows and sales, a trade show, a livestock judging contest for 4H/FFA members, display alleys for bulls and donor females, and a Pen Heifer Show and Sale with registered and commercial females that will be sold in groups. On Sunday, the expo will conclude with a Junior Heifer Show and a Market Steer and Heifer Show.

The 2004 Kentucky Beef Expo will include over 700 cattle from 12 breeds. Cattle offered at this event will provide elite genetics that will improve any herd.

For more information, go to www.kybeefexpo.com or contact John McDonald in the Division of Show and Fair Promotion at (502) 564-4983.

The Doctor's Office

By Dr. Cris Young



Bovine Spongiform Encephalopathy (BSE) was diagnosed for the first time in the United States just two months ago. This initial case has vividly demonstrated our need for a mandatory individual animal identification plan. USDA Secretary Ann Veneman stated in a news conference that the USDA will be moving swiftly to implement an ID program that will allow for 48-hour trace-back. Our desire is to see the positive marketing aspect of an identification program drive the issue. However, make no mistake, an identification program will serve many more areas than marketing.

By having an animal ID program in place, the industry will be able to return more management data to you. Your on-the-farm ID program will ensure that you can make management decisions from this data. Having an ID program in place will give the Division of Animal Health and the United States Department of Agriculture the vehicle necessary to make timely trace-backs to prevent the spread or introduction of diseases. The value of this alone to the industry is priceless.

Let us look at an example from the BSE incident. The index cow has a bull calf that was moved to a calf ranch unidentified. Because of this, the entire group of 460 calves will be euthanized

"...your thorough record keeping system coupled with individual ID will be the evidence that you are not to blame for events that occur after animals leave your farm."

and disposed of. If that bull calf had been individually identified, then it could have been located and the investigation could have moved on while sparing the destruction of 459 other calves.

Many producers express concern that their personal liability is increased with an ID program in place. On the contrary, your thorough record keeping system

coupled with individual ID will be the evidence that you are not to blame for events that occur after animals leave your farm. For instance, you can keep treatment records showing exactly what condition an animal was treated for and with what product. You can show that you observed the correct withdrawal period. Then, if a prohibited residue shows up somewhere down the road, you have records to show you are not responsible. Your Beef Quality Assurance certification and your ability to source-verify your cattle are going to be essential to your ability to have full access to market your cattle. Eventually livestock ID is going to affect all species, not just cattle.

For more information you can access the United States Animal Identification Plan at www.usaip.info. Livestock ID is no easy issue and much work remains to be done, but I want you to know that the Division of Value-Added Animal Production's goal is to provide you information to make your operation more profitable.

Advertising Cost-Share Available

The Division of Value-Added Plant Production is accepting applications for two grant programs that were funded through the Kentucky Horticulture Society in 2003. The grants consist of a horticulture advertising cost-share grant that awards a 50 percent cash match of up to \$2,000 for horticulture businesses to conduct advertising. The market development cost-share grant awards a 50 percent cost-share match of up to \$2,500 for horticulture businesses to conduct trips in order to help develop new markets for their products.

This is a great opportunity for producers who have considered advertising or taking trips to develop new markets but have found it to be too cost-prohibitive. Now is the time to take advantage of these programs while funding is available. The

advertising cost-share covers radio, television, billboard, and print advertisements that promote Kentucky-grown products. The market development cost-share covers private auto mileage at 32 cents per mile, car rental fees and fuel, public transportation and airfare, lodging at cost, and meals at a rate of \$36 per day.

The deadline to submit applications for the second round of funding this year is April 15 for activities that will occur between May 1-Aug. 31. If funds remain available there will be a third round of funding this year, and applications must be submitted by Aug. 15 for activities that will occur Sept. 1-Dec. 31. For more information, go to KDA's Horticulture Web page at http://www.kyagr.com/mkt_promo/hort/index.htm or contact Kim Mullins at (502) 564-4983.

Report Recommends State-Owned Farmers' Markets Complement Existing Markets

A system of state-owned farmers' markets modeled after those in North Carolina could be in Kentucky's future. A report urged the Agricultural Development Board to support a system of state-owned farmers' markets to offer another marketing opportunity to Kentucky farmers.

The report, prepared by the Kentucky Department of Agriculture's Office of Agriculture Marketing and the University Of Kentucky's Department Of Agricultural Economics, pointed to the success of the North Carolina model in facilitating both wholesale and retail sales for farming operations of all sizes. The state-owned markets in North Carolina draw more than 6 million visitors each year, according to Jim Mansfield, one of the authors of the report.

"In order to attract that kind of customer base the markets need to be built in prime locations on the interstate highways, close to population centers," said

Mansfield. "A coordinated network of state-owned markets with strong management and marketing should be the goal."

Each of the five North Carolina markets is near a population center and is located on a major highway. The markets draw customers by offering restaurants, garden centers, and an indoor value-added marketplace along with the farmer sheds and wholesale sales areas. This environment helps markets attract customers all year.

Farmers in North Carolina were surveyed to gain an understanding of how state farmers' markets benefit farmers and how they affect other established marketing options. Those surveyed overwhelmingly supported the system. These markets are popular for providing easy access to both a retail and a wholesale marketplace all year. Rather than competing, state farmers' markets were reported to complement smaller community farmers' markets and on-farm sales.

Ohio River Valley Marketing Conference Scheduled

By Angela Caporelli

One of the best ways to learn about new marketing techniques is by listening to other producers share their experiences. One of the best places you can hear these stories is by attending conferences and trade shows.

The Ohio River Valley Marketing Conference is a great conference for agriculture producers to attend, and this year Kentucky will host the second annual event Feb. 17-18 at the Holiday Inn Airport in Erlanger, Ky.

This conference will offer presentations, workshops, and discussions that address assessing and evaluating new market opportunities, market development, and marketing value-added products. Tuesday sessions will address farmers' markets, livestock marketing, direct marketing, Internet

marketing, marketing processed foods, and aquaculture marketing. On Wednesday, roundtable discussions will cover the Green River Cattle Company, goat Tel O-Auctions, shared-use kitchens, farmers' markets Internet marketing, starting co-ops, legal issues, insurance issues, produce and hay auctions, farm restaurants, and marketing to chain stores.

Registration begins Feb. 17 at 10 a.m. EST and is \$40, which covers the cost of three meals and all conference activities and presentations. If you are a Kentucky producer, entrepreneur, agricultural educator or community leader, you won't want to miss this conference. For more information, contact J.K. Henshaw at (502) 495-5106 or Rick Alexander at (859) 233-7845.

"The North Carolina farmers told us that these markets have provided them the opportunity to increase their production and have contributed to the health of their farming operations," said Janet Eaton KDA farmers' market specialist, who conducted the survey with farmers in North Carolina for the study. Many sold at several venues and found the state markets to be a great place to market new varieties or to move into the value-added marketplace.

The report recommends that a network of three farmers' markets ultimately be built. These markets would be owned by the Commonwealth of Kentucky and operated by the Kentucky Department of Agriculture. As a first step it was recommended that the Agricultural Development Board set aside \$8-\$10 million to fund the first state farmers' market. I asked that KDA be empowered to complete a business plan for that market prior to any capital outlay.

Hughes Family Markets Beef Direct to Consumers

Stewart Hughes, a career farmer in Georgetown, started looking at ways he could add value to his cattle operation several years ago and came up with an idea to market some of his beef directly to local consumers. He called his new venture Triple J Beef. In the beginning Hughes thought he would sell halves and quarters but soon learned people were more interested in buying individual cuts. With help from an agriculture diversification grant, Hughes purchased a refrigerated trailer to keep his beef frozen while being transported from the processor to his home.

Hughes does not use antibiotics or hormones and raises his animals on alfalfa and corn silage produced on his farm. To sell processed beef, Hughes had to find a processor that was USDA inspected. **All processors in Kentucky are licensed by the USDA and local health**



Jeremy, left, and Stewart Hughes

departments to process livestock, but there are only a few that carry the additional USDA inspection necessary for producers that want to sell processed beef products directly to consumers. The Hugheses currently use Harmon Brothers processing in Warsaw, Ky.

Harmon Brothers also shrink-wraps the beef, which protects it from freezer burn and allows the consumer to see the product they are buying. The processor also administers the Triple J label, which includes the USDA inspection number.

“There’s not much eco-

nomic advantage to marketing beef direct when cattle prices are high, but when cattle prices are low there is an advantage, and you have to stay with it through market cycles,” said Hughes. The fat cattle market was 63 cents when he began the project and hit 93 cents on some finished steers he sold last fall.

Despite fluctuations in the live cattle market, Hughes feels there will be additional possibilities to market his beef to restaurants, festivals, and other special events in the area. The challenge is educating consumers on how to prepare products like chuck roasts, round steaks, and sirloins that are harder to sell.

To find out more about Triple J Beef, call Hughes at (502) 863-6786.

— Bill Holleran

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Kentucky Department of Agriculture

www.kyagr.com
Division of Value-Added Marketing
100 Fair Oaks Lane, 5th Floor
Frankfort, KY 40601

«First Name» «Last Name»
«Organization»
«Address 1»
«Address 2»
«City» «State» «Zip»